

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

[Union, South Carolina]

HEARING # 10-11200

MAY 31, 2011

6:00 P.M.

DOCKET NO. 2010-181-E:

LOCKHART POWER COMPANY - Application for Adjustment of Rates and Charges

TRANSCRIPT OF TESTIMONY
AND PROCEEDINGS

VOLUME 1

HEARING BEFORE: John E. 'Butch' HOWARD, *CHAIRMAN*, David A. WRIGHT, *VICE CHAIRMAN*; and COMMISSIONERS Elizabeth B. 'Lib' FLEMING, Randy MITCHELL, Swain E. WHITFIELD, and Nikiya 'Nikki' HALL

ADVISOR TO COMMISSION: F. David Butler, Jr., Esq.

STAFF: James Spearman, Ph.D., Executive Assistant to the Commissioners; William O. Richardson, Advisory Staff; Patty Sands, Executive Staff; and Jo Elizabeth M. Wheat, CVR-CM-GNSC, Court Reporter.

APPEARANCES:

M. JOHN BOWEN, ESQUIRE, representing LOCKHART POWER COMPANY, APPLICANT

JEFFREY M. NELSON, ESQUIRE, representing THE OFFICE OF REGULATORY STAFF

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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P R O C E E D I N G S

CHAIRMAN HOWARD: We'll call this to order.

And I'll thank all of you for coming out in this hot, blustery weather. This is a public hearing, and I would like to introduce my fellow Commissioners. I'll start at the far left with Commissioner Fleming. Commissioner David Wright is the vice chairman. At the far right is Commissioner Nikki Hall, Commissioner Swain Whitfield. To my immediate right is Commissioner Randy Mitchell. My name is Butch Howard and I'm chairman of the Commission.

At this time, I'll turn it over to Attorney Butler to read the docket.

MR. BUTLER: Thank you, Mr. Chairman. Mr. Chairman, members of the Commission, just for benefit of the people here in attendance tonight, my name is David Butler. I'm senior counsel to the Commission. And this is a local public hearing in Docket No. 2010-181-E. And in just a moment I'll be calling the names of those who signed up to come forward and give their statements to the Commission regarding the rate increase proposed by Lockhart Power Company.

I want to state that tonight's hearing is

1 actually part of an overall process that the
2 Commission goes through when considering a rate
3 case. Just to give you a summary of the process,
4 the company files an application for its rate
5 changes. This is then noticed to the public, and
6 in a case like this one, the Commission may set up
7 an evening public hearing so that members of the
8 public may be heard regarding any concerns about
9 the company's application.

10 Also, beginning on Monday, June 27th, at 10:30
11 a.m. at the Commission's offices, the Commission
12 will continue the process by hearing from, among
13 other witnesses, accountants and engineers who have
14 analyzed the company's rate increase request.

15 And at this time, I'd like to introduce
16 representatives of the company and of the Office of
17 Regulatory Staff that are with us tonight. First
18 I'd like to introduce Mr. John Bowen who represents
19 Lockhart Power Company; he's the lawyer for
20 Lockhart. And to my right is Mr. Jeff Nelson, who
21 is the attorney for the Office of Regulatory Staff.

22 And I wanted to say that tonight's hearing is
23 about you, the members of the public and the
24 customers of Lockhart Power Company. The court
25 reporter is going to record everything you say, and

1 you will be sworn in. What I'm going to do in a
2 minute is call your names and I'll ask you to come
3 up to this podium to my left. At that time, you
4 will be sworn in and we will ask you to please
5 state your name and address after being sworn in.
6 Please speak into the microphone.

7 Now, this is your opportunity to place your
8 thoughts regarding the proposal of the company on
9 the record. This is not the time to ask the
10 Commissioners questions. Under State law, the
11 Commissioners cannot discuss the case with you or
12 answer questions regarding the case, but
13 representatives -- as we stated -- from the company
14 and the Office of Regulatory Staff are here and can
15 answer any questions that you may have at the
16 conclusion of the hearing.

17 Once again, the Commission will continue to
18 gather evidence in this case until the conclusion
19 of the June 27th hearing. And thereafter, the
20 Commission will consider all the information that
21 it gets from all of its hearings and will render a
22 decision on this matter on or before August 15,
23 2011.

24 And I did want to tell you, when we call you
25 and you come up and speak, give your statement, it

1 may be possible that there may be questions from
2 the parties -- that is, the company and Office of
3 Regulatory Staff -- or the Commission. The
4 Commission may have some questions for you. So I
5 would ask you, when you finish your statement --
6 that is, what you have to say to the Commission --
7 if you would wait just a minute before you sit
8 down, just to make sure that you can get any
9 questions answered that we need to get answered.

10 And so, Mr. Chairman, with your permission, I
11 am ready to call the names of the participants in
12 this case and those that wish to be heard.

13 **CHAIRMAN HOWARD:** Please do so.

14 **MR. BUTLER:** All right sir. First, I'd like
15 to call Eugenia Foster. Ms. Foster, would you come
16 forward, please, to the podium?

17 [Witness sworn]

18 THEREUPON came,

19 **E U G E N I A G . F O S T E R ,**

20 who, having been first duly sworn, testified as follows:

21 **WITNESS:** My name is Eugenia Gregory Foster.

22 I reside at 407 Norris Street in Jonesville, South
23 Carolina. I'm a retired Registered Nurse.

24 I am here simply to say -- to ask -- to plead
25 with those that are concerned with the proposed

1 rate increase for the Lockhart Power Company,
2 please, sir, do not do it at this time.

3 I'll tell you about Jonesville, South
4 Carolina, about ten miles up the road, and many of
5 you know about Jonesville. Jonesville is a very
6 poor town. Talking about poverty level, need is
7 below poverty level. Very poor peoples lives in
8 Jonesville. This winter there has been -- when the
9 lights -- because you know there is just a short
10 period of time from the time you get your light
11 bill that you have to pay it, and if you don't,
12 you're gave a pink slip and your lights was turned
13 off. My concern is with this hot weather -- 95 --
14 if your lights is turned off, your electricity is
15 turned off, you're going to get very sick. Hot.
16 Winter, you might freeze. And we hope you don't
17 get to that, but these are possibilities.

18 And I'm asking you -- and also, talking about
19 peoples very poor there in Jonesville -- I myself
20 being -- drawing Social Security, and many of you
21 well know that in the last two years there has not
22 been a cost-of-living increase. So where are we
23 going to get the money from? That may not be a
24 great concern to many of you, but it's a great
25 concern for me and others.

1 And I'm just simply asking you, please just
2 wait. Give us a break, if it's no more than a year
3 or -- and I'm probably here just wasting my time.
4 I hope not. I hope somebody's listening to me.

5 And I also want to say that there were others
6 that wished to come. They had signed the paper
7 saying they was in agreement with what I was going
8 to ask, simply asking do not increase the light
9 bill right at this time. Got so upset and got
10 nervous, and didn't bring my paper. But I was
11 sworn in and I'm telling you that there are many
12 peoples in Jonesville feel as I do. Thank you.

13 **CHAIRMAN HOWARD:** Ms. Foster -- Mr. Bowen, any
14 questions?

15 **MR. BOWEN:** No, sir.

16 **CHAIRMAN HOWARD:** Mr. Nelson? ORS?

17 **MR. NELSON:** Real quickly.

18 **CROSS EXAMINATION**

19 **BY MR. NELSON:**

20 **Q** Ms. Foster, have you had any problems yourself as far
21 as, you know, not being able to pay on time or having
22 trouble dealing with the company?

23 **A** Well, I usually pay my light bill on time. I do have
24 relatives -- I have a son lives out of state, I have a
25 daughter and I have a son-in-law that's been in the

1 military for 28 years. And they do help me. But my
2 concern -- I'm not a selfish person, it's not just about
3 me. It's about feeding the peoples in my church, that
4 the -- the living isn't good.

5 **Q** Thank you, ma'am.

6 **A** Uh-huh.

7 **CHAIRMAN HOWARD:** Commissioners?

8 [No response]

9 Ms. Foster, you may be seated. Thank you,
10 very much, for coming. I appreciate you taking the
11 time. Thank you, very much.

12 **WITNESS:** Yes.

13 [WHEREUPON, the witness stood aside.]

14 **MR. BUTLER:** Mr. Chairman, other
15 Commissioners, our next witness is Mr. Roy Glass.
16 Mr. Glass, come forward, please.

17 [Witness sworn]

18 THEREUPON came,

19 **R O Y G L A S S ,**

20 who, having been first duly sworn, testified as follows:

21 **WITNESS:** My name is Roy Glass. My address is
22 114 Hard Ranch Road, in Buffalo.

23 I have my bills here from last winter, and I'm
24 going to tell you, I'm self-employed; I'm a
25 blacksmith, and I'm also a musician. My money is

1 very tight. Not only is mine, but a lot of other
2 people in Buffalo, as well. And Jonesville, as
3 well. And I'm sure, Lockhart.

4 In four months' time, I paid \$5,000 in power
5 bills. I've called many times to have this meter
6 checked. Everything is good. I've had my house
7 checked. It's an energy-efficient mobile home.
8 Nothing wrong with the house; nothing wrong with
9 the meter.

10 So let me explain to you how my family lived
11 this winter. It's a four-bedroom double-wide. I
12 have two sons; they're twins. We shut their
13 bedroom down and that side of the house off. Only
14 rooms that we had in our house that was being
15 heated was our kitchen, our living room, and our
16 master bedroom and our master bathroom. We hung
17 curtains up between the hallway, we shut those
18 vents off out there -- we even shut our furnace off
19 this winter -- and I cut wood off my land. I have
20 30 acres down there, and we heated off wood. And
21 my kids' bedroom became our living room. And my
22 bills went up.

23 I explained this to Lockhart Power Company,
24 and I was told, "Well, it has been colder." I
25 can't afford this rate. My kids can't afford it,

1 either. And my concern is that people that are far
2 off worse than I am.

3 Last year, news came over the Internet in
4 South Dakota, 19 elders died because their power
5 bill was turned off. They froze to death. They
6 are elders. They're on fixed incomes. 19 froze to
7 death in South Dakota last year, last winter. I
8 realize this is not South Dakota, but this town is
9 suffering from this economy and many other things.
10 People are leaving this town. They cannot afford
11 to live here. There's no work. Most of the people
12 that live around here, they do live in poverty.
13 Not all.

14 I'm begging you all. There's going to be a
15 lot of good families leave this county because they
16 are not going to be able to afford to do this
17 anymore. These rates at this time in this economy
18 and what's going on for no pay raises, there's no
19 money for us to give for these things. It came so
20 close to where I almost had to go get a loan to pay
21 my power bills -- and that's no joke. If you want
22 to look at them, they are here [indicating]. There
23 are pink slips here. I get them every month
24 because I can't afford that kind of money.

25 Please, consider the people that live in this

1 town that are going to suffer from this. It will
2 be devastating to them. It is that bad. Thank
3 you.

4 **CHAIRMAN HOWARD:** Mr. Glass, would you like to
5 enter those bills into the record?

6 **WITNESS:** Sir?

7 **CHAIRMAN HOWARD:** Would you like to enter your
8 bills into the record?

9 **WITNESS:** Yes, sir.

10 **CHAIRMAN HOWARD:** Mr. Glass's bills will be
11 Hearing Exhibit No. 1.

12 **WITNESS:** Thank you.

13 [WHEREUPON, Hearing Exhibit No. 1 was
14 marked and received in evidence.]

15 **CHAIRMAN HOWARD:** Mr. Bowen, any questions?

16 **MR. BOWEN:** Mr. Chairman, I don't have any
17 questions, but the company obviously will check
18 into this.

19 **CHAIRMAN HOWARD:** Thank you. Mr. Nelson?

20 **MR. NELSON:** Thank you, Mr. Chairman.

21 Mr. Glass, the gentleman sitting right here --

22 **WITNESS:** Yes, sir.

23 **MR. NELSON:** -- [indicating] Mr. Brad Kirby,
24 he works in our Consumer Services Division. When
25 you step down, if you could come, and we'll let you

1 go to the back of the room and talk to Mr. Kirby.

2 And if it would be possible, Mr. Chairman, if
3 we could draw back those --

4 **CHAIRMAN HOWARD:** Correct.

5 **MR. NELSON:** -- exhibits that were put in,
6 just so we could get a look at them, and then we'll
7 give them back to you.

8 **CHAIRMAN HOWARD:** That'd be fine.

9 **MR. NELSON:** We'd like a chance to talk to
10 you.

11 **WITNESS:** [Nodding head.]

12 **CHAIRMAN HOWARD:** Commissioners, any questions
13 of Mr. Glass? Commissioner Fleming.

14 **COMMISSIONER FLEMING:** Thank you, Mr.
15 Chairman.

16 **EXAMINATION**

17 **BY COMMISSIONER FLEMING:**

18 **Q** Mr. Glass, did you make a call to the Office of
19 Regulatory Staff, to make a complaint? Or were you
20 aware --

21 **A** Yes, ma'am, I called and made a complaint about the
22 power bill when it started to go up, and they did send a
23 man out there to check the meter. I was told by a lady
24 at the power plant that it has been colder, and that was
25 probably the reason. And I understand that during the

1 wintertime -- I understand that your unit kicks on more
2 and often at night. I understand all that. The rule of
3 setting your thermostat at 69 or 70 degrees, or 68
4 degrees, doesn't always apply during the wintertime; I
5 understand that, because the temperatures go up and
6 down, and I explained that to them.

7 They did send someone out -- very nice man, very
8 nice gentleman came out -- checked the meter, checked
9 everything at the meter, and everything was fine. I
10 also had my house checked out. And I do want to explain
11 to you that, when I have to go out of town to do a
12 concert, I'm gone about two weeks, and I make
13 arrangements for my kids to stay with their grandmother
14 during that time. During those two-week periods I may
15 do -- during the wintertime, I believe I may have done
16 six concerts that took me out of town during that five-
17 month period. And each time I leave, I go out to my
18 pole and I shut the main breaker off. And this was
19 explained, too.

20 Also, if you will note on these bills, there are
21 two meters out there. One meter is running an electric
22 fence that I have, where I have my horses pastured at,
23 and I have an electric fence that keeps them in, and
24 that's all it's hooked up to, that one meter, is an
25 electric fence. There's nothing else pulling off of

1 that meter. And they are welcome to check that out.
2 They are welcome to see that. Also I would like you to
3 note that on the bill for the house, I am being charged
4 for an outside light, and there is not one.

5 And yes, ma'am, the complaints have been made to
6 Lockhart Power Company, and I get an excuse -- "It's
7 been cold"; "Well, we'll send somebody out to check it";
8 and, "There's nothing wrong with it. We've already sent
9 someone out to check it." It's there. It's there,
10 yourself. Come see it. Come see the way we're living.
11 My house is open to you, come in and see it. It's no
12 secret. This is the way we live. We have to live that
13 way; I can't afford it.

14 When I hear my friends that are on city power and
15 their power bills are coming in, and they're reasonable
16 -- well, we're suffering. And it's not only me; it's
17 the neighbors down below me, the Sweetwaters, their
18 power's been turned off several times because of these
19 outrageous power bills that have come through the
20 wintertime.

21 So, yes, ma'am, they have been checked, and I have
22 made complaints.

23 **Q** Thank you.

24 **A** Thank you.

25 **COMMISSIONER MITCHELL:** I have one.

1 **CHAIRMAN HOWARD:** Commissioner Mitchell.

2 **EXAMINATION**

3 **BY COMMISSIONER MITCHELL:**

4 **Q** How you doing? Mr. Glass, how do these bills of this
5 particular year compare with the year previous?

6 **A** I can't answer that, because I used to be on Broad River
7 Electric because I lived in another house, and I just
8 had this property for my horses. Broad River Electric
9 sent out a notice that they were going up on their
10 rates, and they went up on their rates, and which is the
11 reason why I came here today, because just like anybody
12 else, I read the letter they slid inside and didn't
13 really pay it much attention. But I lived in a two-
14 story house, and when those rates went up -- because
15 they were importing coal, and they had to go up on their
16 rates -- my power bill came in during that time, and it
17 was over \$600 because I had two units on there. I
18 couldn't afford it. I couldn't afford to stay in the
19 house anymore. I was forced to sell the house.

20 I sold the house. We bought a second home that was
21 energy efficient, and we moved it onto our land. We're
22 trying to adjust to the economy. We're trying to make
23 it here, as hard as we can. But I'm at the bottom, and
24 when this came in the mail, this was a warning sign to
25 me, "Look, I've seen one of these before, and I had to

1 lose my house. I don't want to lose my house again."

2 So this is really what jolted me to come here today and
3 speak about this rate, and to bring it to the attention
4 of what is going on out there with some of Lockhart
5 Power's customers.

6 **Q** So this was your first year under Lockhart Power, is
7 that what you're telling me?

8 **A** Yes, sir. Actually, the power has been there. When I
9 first got that property, I had a single-wide there --
10 which was about nine years ago -- and I lived there on
11 that property in that single-wide for approximately four
12 years before I sold it and went to the other house. But
13 during that time that I lived in that single-wide, our
14 power bills were very reasonable. They were very
15 reasonable. There was never any really high power bill
16 there. I don't think our power bill went over \$200
17 during that whole four-year period.

18 But once again, that same power that was running
19 that house is running that electric fence box. It's a
20 110 outlet -- one 110 outlet -- that's pulling off of
21 that breaker, off of that main, and that's it. And as
22 you can see on the bill, it's running over \$60-\$70 a
23 month, for one outlet.

24 **COMMISSIONER MITCHELL:** Thank you. Thank you,
25 Mr. Chairman, that's all I have.

1 **CHAIRMAN HOWARD:** Any other questions,
2 Commissioners?

3 [No response]

4 Mr. Glass, thank you, very much. And please,
5 see ORS.

6 **WITNESS:** Thank you.

7 **CHAIRMAN HOWARD:** Thank you.

8 [WHEREUPON, the witness stood aside.]

9 **MR. BUTLER:** Mr. Chairman and other
10 Commissioners, we have Mr. Thompson. I believe
11 that's Mr. Harold Thompson?

12 [Witness sworn]

13 THEREUPON came,

14 **H A R O L D T H O M P S O N ,**

15 who, having been first duly sworn, testified as follows:

16 **WITNESS:** My name is Harold Thompson. I live
17 at Monarch, on the Old Lindick ^[phonetic] Road.

18 And I came up here to ask you all, whatever
19 you do, please don't do this. Because I'm having
20 it rough myself, and I'm drawing Social Security,
21 and I'm 73 years old and still trying to work. And
22 ain't many people my age. And I've been meeting
23 this son out here today. I worked half a day, and
24 I went back to go to work and I couldn't stay out
25 there, I had to leave. And it's the onliest way

1 I've got to make my money and pay my bills. And I
2 ain't complaining about -- if I can pay my bills,
3 it's fine. But it seems like everything in the
4 world is just going up.

5 Senior citizens is plentiful here in this
6 town, and a lot of them would have liked to come,
7 but some of them wouldn't come because they don't
8 like to get up and talk in front of people.

9 But I think this is a very wrong time to raise
10 the rates at this time.

11 **CHAIRMAN HOWARD:** Anything else, Mr. Thompson?

12 **WITNESS:** I think that stated it all. I think
13 the rest of them has stated about on the same basis
14 that I was looking at. I appreciate you all
15 listening at me. If you can hold it down, I'd
16 appreciate it, because it's rough.

17 **CHAIRMAN HOWARD:** Thank you very much for
18 coming. Mr. Bowen, any questions?

19 **MR. BOWEN:** No, sir.

20 **CHAIRMAN HOWARD:** Mr. Nelson?

21 **CROSS EXAMINATION**

22 **BY MR. NELSON:**

23 **Q** Mr. Thompson, could you tell me your address, please?

24 **A** Sir?

25 **Q** What was your address?

1 **A** 119 Baber Street.

2 **Q** Thank you, sir.

3 **A** In Monarch.

4 **CHAIRMAN HOWARD:** Commissioners?

5 **COMMISSIONER WHITFIELD:** Mr. Chairman.

6 **CHAIRMAN HOWARD:** Commissioner Whitfield.

7 **EXAMINATION**

8 **BY COMMISSIONER WHITFIELD:**

9 **Q** Mr. Thompson, how long have you been a customer of
10 Lockhart Power?

11 **A** I've been down there over 21 years. I've always paid my
12 bills. But that's behind me, you know, that's back when
13 I was making pretty good money and everything, but I'm
14 not making that kind of money no more. You know, it
15 just ain't coming in. Matter of fact, it's very few
16 people that call. I come up here today in my uniform
17 because I was -- still hadn't taken my shower for
18 tonight, but I wanted to come, because I wanted to say
19 my speech, you know. And I appreciate you listening at
20 me. But if it's any way in the world that you can not
21 do this, I'd appreciate it.

22 **Q** Did you notice a big increase this year over last year,
23 with your Lockhart bills?

24 **A** Well, I think it's been a couple of raises, according to
25 my bill, you know, it's -- we're under different prices,

1 you know. But I try not to run no more than I have to.
2 Matter of fact, in the wintertime, it's kindly rough on
3 me; you know, I try not to heat everything, because I'm
4 by myself. And it's just a thing that I wish that a lot
5 of y'all would understand my situation, because it's
6 really rough to try to pay these bills.

7 You go to the grocery store, it's up. Everything
8 that you go to is raised. Everything is raised. You
9 can go to the grocery store one week, and go back the
10 next week, it's a different story there. And we all
11 have to eat some way or another. But I'm hitting on the
12 body from eating them sardines a little bit, too, you
13 know what I mean?

14 **COMMISSIONER WHITFIELD:** That's all I have,
15 Mr. Chairman.

16 **CHAIRMAN HOWARD:** Commissioners, any other
17 questions?

18 [No response]

19 Mr. Thompson, thank you very much. I
20 appreciate you coming.

21 **WITNESS:** Thank you. I appreciate you
22 listening.

23 [WHEREUPON, the witness stood aside.]

24 **MR. BUTLER:** Mr. Chairman, other
25 Commissioners, that does complete the list of

1 witnesses that I had at this time. At this time,
2 we do normally ask if there are any other customers
3 or members of the public that wish to be heard on
4 this matter. Are there any other members of the
5 public that wish to be heard at this time?

6 [No response]

7 Hearing none, Mr. Chairman, I will turn the
8 meeting back over to you. Thank you.

9 **CHAIRMAN HOWARD:** Again, I appreciate and the
10 Commission appreciates all of you coming. The
11 merits hearing will be held on June 27th in
12 Columbia, at the offices in Columbia. And if you
13 spoke tonight, you will not be allowed again to
14 speak. You have what we call one shot at the
15 apple, but we appreciate you coming. Thank you,
16 very much. Meeting adjourned, and have a safe trip
17 home.


18 [Witness(es) excused]

19 [WHEREUPON, at 6:30 p.m., the hearing in
20 the above-entitled matter was adjourned.]

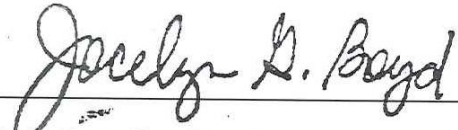
C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in an evening public hearing held in the above-captioned matter before the Public Service Commission of South Carolina;

IN WITNESS WHEREOF, I have hereunto set my hand on this the 15th day of July, 2011.


Jo Elizabeth M. Wheat, CVR-CM-GNSC

ATTEST:



Jocelyn G. Boyd,

CHIEF CLERK/ADMINISTRATOR